

The bank made several loans to the government in anticipation of the revenues early in its career. They were not promptly paid and the debt of the government to the bank at the end of 1792 was \$2,556,595, which increased at the end of 1795 to \$6,200,000. An attempt was made to sell government five per cent, stock, but only \$1 20,000 was realized and it became necessary for the government to part with one of its most valuable assets,—its shares in the bank. The third and fourth instalments of the original \$2,000,000 loan to the government were not paid until 1797, when 2160 shares of the government stock were sold at \$500 per share (a premium of \$100) and the proceeds, \$1,080,000, were applied to these two instalments and to other obligations of the government to the bank. Six hundred and twenty more shares were sold soon afterwards for \$304,260 and in 1802 the remaining shares were sold at an advance of forty-five per cent, and the government ceased to be a stockholder. Secretary Gallatin reported in 1809 that the government made a profit of \$671,860 on the sale of its shares, besides receiving dividends at the rate of about eight and three-eighths per cent, annually. The aggregate payments by the government, including interest, were \$2,636,427, while the proceeds and dividends together were \$3,773,580, representing a profit of nearly fifty-seven per cent, on the original investment for the eleven years during which the government was a shareholder.¹

Opposition to the Bank of the United States did not die out with Washington's administration nor with its large advances to the government. The conception of the functions of a bank which then prevailed is indicated by President Jefferson's letter of July 12, 1803, to Gallatin, in which he declared, "I am decidedly in favor of making all the banks republican by sharing deposits among them in proportion to the dispositions they show." The bank had a steady friend in Gallatin, however, and he not only continued to avail himself of its assistance in the

fiscal operations of the

¹ Sen. Ex. Doc. 38, 52d Cong., 2d Sess., 34.